

Message Text

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47

ACTION EB-07

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3601

C O N F I D E N T I A L TEHRAN 9395

E.O.11652: GDS

TAGS: EAIR, IR

SUBJ: CIVAIR: IRAN AIR DISCOUNT FARES AND CHARTER CARGOS

REFS: (A) STATE 224752; (B) TEHRAN 9249

1. ECON COUNSELOR AND CIVIL AVIATION OFFICER CALLED ON DGCA ARBABI SEPTEMBER 22 TO APPRISE ARBABI OF CAB POSITION SET FORTH REFTEL A.

2. ARBABI TOOK NOTE OF CAB POSITION AS COMMUNICATED TO DEPT. AND SAID THAT THIS POSITION IS PERFECTLY UNDERSTANDABLE TO HIM. HE SAID THAT REQUIREMENT THAT IRAN AIR BE GIVEN FIRST REFUSAL ON CHARTERS AND NO-OBJECTION FEE PAYABLE BY U.S. AIRLINES IS LONG STANDING GOI POLICY WITH WHICH HE IS IN DISAGREEMENT. HE NOTED THAT EMBASSY AND U.S. AVIATION AUTHORITIES GENERALLY ARE AWARE THAT IT IS IRAN AIR WHICH INSISTS UPON STRICT COMPLIANCE WITH THIS REQUIREMENT. HE SAID THAT HE HAS TRIED TO GET POLICY CHANGED BUT WITHOUT SUCCESS. GOI POLICY HAS ITS ORIGIN IN A DIRECTIVE FROM PRIME MINISTER, WHICH WAS SOUGHT BY GOI'S SUPREME AVIATION COUNCIL AND AT IRAN AIR'S BEHEST, THAT IRAN AIR BE GIVEN FIRST REFUSAL AND FEE CHARGED TO THE U.S. CARRIER IF IRAN AIR EXPRESSES NO OBJECTION. CONTRARY TO REFTEL A, NO-OBJECTION FEES ARE STILL BEING LEVIED. HE SAID THAT GENERAL KHADEMI, MANAGING DIRECTOR OF IRAN AIR, IS ABSOLUTELY INTRACTABLE ON THE SUBJECT AND IT WAS EVIDENT FROM ARBABI'S REMARKS THAT THERE ARE DEEP DIFFERENCES OF OPINION BETWEEN THE TWO MEN. BY WAY OF ILLUSTRATING KHADEMI'S COMPLETE LACK OF UNDERSTANDING OF THE COMPLEXITY OF CIVIL AVIATION

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MATTERS, ARBABI SAID THAT HE HAD RECEIVED A PERFECTLY ASTOUNDING

LETTER FROM KHADEMI A FEW DAYS AGO ASKING THAT PAN AMERICAN'S SERVICES TO IRAN BE SUSPENDED EFFECTIVE OCTOBER 1. ARBABI THEN READ FROM HIS REPLY TO GENERAL KHADEMI WHEREIN HE DECLINED TO ACCEDE TO KHADEMI'S REQUEST. ARBABI WENT ON TO SAY THAT THE SHAH HIMSELF HAS BECOME AWARE OF KHADEMI'S DESIRE TO SUSPEND PAN AMERICAN'S SERVICES. ACCORDING TO ARBABI THE SHAH REPORTEDLY REMARKED DISDAINFULLY, "WHY DOES GENERAL KHADEMI WANT TO DO THIS; SIMPLY TO SELL A FEW MORE TICKETS FOR IRAN AIR"?

3. ARBABI SAID THAT AT THE SUGGESTION OF MINISTER OF ECONOMIC AFFAIRS AND FINANCE, ANSARY, HE INTENDS TO SEEK AN AUDIENCE WITH THE SHAH. THE PRIMARY PURPOSE OF HIS TALK WITH THE SHAH WOULD BE TO SPELL OUT THE PROPER STRUCTURE FOR CIVIL AVIATION IN IRAN IN THE YEARS AHEAD (READ: GETTING CIVIL AVIATION IN IRAN OUT FROM UNDER MILITARY DOMINANCE AND MORE AUTONOMY FOR THE DGCA.). FOR EXAMPLE, ARBABI SAID HE TITLE OF VICE-MINISTER OF WAR IS NO LONGER APPROPRIATE, IF IT EVER WAS.

4. AS REGARDS SEVERAL RECENT CHARTER REQUESTS WHICH HAVE BEEN TURNED DOWN AT LOWER LEVELS WITHIN THE DGCA OR ON WHICH NO FORMAL ACTION WAS TAKEN, ARBABI ASKED THAT THE EMBASSY RESUBMIT ALL OF THESE FOR HIS PRSONAL ATTENTION. HE SAID THAT HE WOULD DO WHAT HE COULD BY WAY OF APPROVING THEM BUT MADE NO PRECISE COMMITMENT. IT REMAINS TO BE SEEN WHETHER ARBABI CAN SUCCESSFULLY OVERRIDE GENERAL KHADEMI'S INEVITABLE OBJECTIONS TO ALL OF THESE RECENT CHARTER APPLICATIONS. SUGGEST DEPT. ADVISE U.S. CARRIERS WHO HAVE RECENTLY BEEN REFUSED LANDING RIGHTS TO RESUBMIT APPLICATIONS. WE WILL ENSURE THAT THEY ARE BROUGHT TO ARBABI'S ATTENTION.

5. ARBABI AGREED WITH EMBOFFS VIEW THAT IRAN AIR DOES NOT POSSESS SUFFICIENT CAPACITY TO HANDLE CHARTER CARGOS EMANATING FROM THE U.S. IT IS EQUALLY CLEAR TO EMBASSY AND EVIDENTLY TO ARBABI AS WELL, THAT IRAN AIR DOES NOT POSSESS THE TECHNICAL EXPERTISE REQUIRED IN CATTLE CHARTER OPERATIONS. LOCAL PAN AMERICAN REP TELLS US THAT IRAN AIR IS EXPERIENCING SOME IDLE CAPACITY ON SOME OF ITS ROUTES AND IS GIVING PAN AMERICAN A DIFFICULT TIME ON ITS CHARTER REQUESTS.

6. AS REGARDS IRAN AIR'S DISCOUNT FARES ARBABI SAID THAT THE IRANIAN EMBASSY IN WASHINGTON HAS BEEN INSTRUCTED TO SEEK A DELAY OF ONE OR TWO MONTHS IN THE COMING INTO FORCE OF CAB'S SUSPENSION
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ORDER. IRANIAN EMBASSY WILL BE IN TOUCH WITH THE DEPT. AND POSSIBLY ALSO WITH THE WHITE HOUSE ON THIS POINT. EMBOFFS HELD OUT NO HOPE THAT GOI WOULD BE SUCCESSFUL IN OBTAINING A STAY OF EXECUTION.
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